

Standard USHC-5: The student will demonstrate an understanding of major social, political, and economic developments that took place in the United States during the second half of the nineteenth century.

USHC-5.2 Summarize the factors that influenced the economic growth of the United States and its emergence as an industrial power, including the abundance of natural resources; government support and protection in the form of tariffs, labor policies, and subsidies; and the expansion of international markets associated with industrialization. (E, G, H, P)

Taxonomy Level: 2.2 B Understanding/ Comprehension

Previous knowledge and future knowledge:

This is the first time that student will be introduced to the importance of the role of the United States government in promoting economic growth.

In 12th grade Economics, students will learn about the four key factors of production – land, labor, capital and entrepreneurship (ECON-1.3). Exposure in USHC 5.1 and 5.2 will lay a foundation in specific historical content. They will also study the various functions and roles of the government in the United States economy, including defining and enforcing property rights, regulating markets, maintaining and promoting competition in the market, protecting consumers’ rights, and redistributing income (ECON-6.1). Introduction to these concepts in United States History will help to give students the background necessary to better understand them in the 12th grade.

It is essential for students to know

Students should understand the reasons for the significant **industrial growth** of the late 19th century. However, they should also understand that this growth started in the first half of the century. It was fostered by both government actions and changes in each of the factors of production. **Factors** of production that contribute to economic growth are land, labor, capital, technology, and entrepreneurship. This indicator addresses land, labor and government actions. USHC 5.1 addresses technology and entrepreneurship. It is important to emphasize the role of government in providing the environment in which entrepreneurs could be successful. It is a common misunderstanding that government impedes economic growth and that American individualism was sufficient to promote America’s emergence as an industrial power in the late 19th century. Therefore, teachers might consider teaching USHC 5.2 before teaching USHC 5.1.

This would be a good time to review what the government had done prior to the Civil War to foster economic growth. Expansion to the West promoted by government actions through purchase, treaties and war (USHC-3.1) opened up a vast region rich in **natural resources**. Students should be able to list a variety of ways that this land was used to provide resources for industry. The government was also instrumental in removing or controlling the Native Americans who threatened to impede access to these resources (USHC-3.1). Open immigration policies made available a vast pool of workers. The growth of business was supported by court decisions that upheld the sanctity of contracts and patent laws that protected the rights of the inventor. The national government regulated interstate commerce (USHC-2.7) and protected infant industries with a protective tariff (USHC-3.3). Pre-Civil War technological changes such as the invention of the steam engine and its application to the steamboat, oil drilling and the railroad should also be reviewed.

Policies to foster economic growth were promoted by the Republican Party during and after the Civil War. During the war, Congress passed laws which stimulated westward expansion by offering **subsidies**

to railroads and free land to settlers. The reorganization of banking during the Civil War also fostered a more secure financial climate. War contracts further stimulated the economy.

In the postwar period, the United States government provided protection for settlers in the West against the Native Americans. **Labor policies** also promoted the interests of business. The government generally promoted open immigration that supplied a ready force of workers. The Chinese Exclusion Act was passed after the completion of the railroad when workers were no longer desired.. As workers began to organize into unions and strike to protect their interests, the government took the side of management and sent federal troops to break up strikes and to jail strikers (USHC 5-4). **Tariffs** were raised throughout the period to protect industry from foreign competition. These actions supported the interests of Big Business rather than the workers whose wages were depressed by the supply of unskilled immigrant workers and whose organization into labor unions was undermined. High tariffs did protect the jobs of workers. However, protective tariffs did not support the interests of consumers because prices of goods were kept artificially high.

The national government supported the **expansion of international markets** through foreign policy initiatives that expanded United States' territorial influence, that protected American investments abroad and that promoted open trade (USHC 6).

It is not essential for students to know

It is not essential for students to be able to list the factors of production; however, they are a convenient way for students to understand the variety of factors that influenced economic growth and how they particularly changed during the later half of the 19th century. Although students should understand the influence of laws, they do not need to remember the names of the laws that supported economic growth such as the Homestead Act and the Pacific Railway Act, nor how the subsidies of the railroad worked by granting land for routes and sales in checkerboard patterns. They need not know about the Foran Act, which limited the immigration of workers who were already contracted to employers. They need not know the names of the different tariff acts such as the McKinley Tariff and the Wilson Gorman Tariff, or the differing positions of the Republican and Democratic parties on the issue of the tariff.

Assessment guidelines:

Appropriate assessments will require students to **summarize** the factors that influenced economic growth and particularly the role of the United States government in promoting economic growth. Students should be able to **classify** and give **examples** of the factors as well as the policies of the United States government. They should be able to **explain** each government policy, **interpret** the significance of each and **infer** its impact on economic growth. Students should be able to **interpret** maps, graphs and political cartoons and **infer** their relationship to information about the time period.